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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers.

IN THE HOUSE OF REPRESENTATIVES

Mr. DAVID P. ROE of Tennessee introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF TREATMENT OF CERTAIN**
4 **RETIREMENT PLAN CONTRIBUTIONS PICKED**
5 **UP BY GOVERNMENTAL EMPLOYERS.**

6 (a) IN GENERAL.—Section 414(h)(2) of the Internal
7 Revenue Code of 1986 is amended—

1 (1) by striking “For purposes of paragraph
2 (1)” and inserting the following:

3 “(A) IN GENERAL.—For purposes of para-
4 graph (1)”, and

5 (2) by adding at the end the following new sub-
6 paragraph:

7 “(B) TREATMENT OF ELECTIONS BE-
8 TWEEN ALTERNATIVE BENEFIT FORMULAS.—

9 “(i) IN GENERAL.—For purposes of
10 subparagraph (A), a contribution shall not
11 fail to be treated as picked up by an em-
12 ploying unit merely because the employee
13 may make an irrevocable election between
14 the application of two alternative benefit
15 formulas involving the same or different
16 levels of employee contributions.

17 “(ii) APPLICATION TO EXISTING EM-
18 PLOYEES.—Clause (i) shall be applied
19 without regard to whether the employee is
20 already covered by one of the benefit for-
21 mulas referred to therein.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to years ending after the date of
24 the enactment of this Act.